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WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
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HQ USAF FOR X0XX
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USCINCCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

E.O. 12958: N/A
TAGS: IS KMDR MEDIA REACTION REPORT
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

11. Mideast

12. North Korea's Announced Renouncement of Nuclear Weapons

Key stories in the media:

Leading media (lead stories in Maariv and Yediot) reported on political developments around PM Sharon six days ahead of the Likud Central Committee meeting, as his associates have initiated contacts to establish a new party. Maariv reported on a rift among Sharon associates. According to the newspaper, Sharon is considering declaring today, in a general, non-binding statement, that he will remain in the Likud. Yediot reported that Sharon and his associates are courting public figures such as Vice PM and Finance Minister Ehud Olmert, former IDF O/C Southern Command Doron Almog, former justice minister Dan Meridor, and former Shin Bet head Avi Dichter, in order to form an alternative list for the Knesset.

Ha'aretz quoted Israeli defense officials as saying Monday that Egypt and the PA have sealed the Gaza-Egypt border. The newspaper reported that the officials gave most of the credit for this to PA forces, noting that Egypt has apparently still not finished deploying its forces. Yediot cited Israel's anger over the PA's intention to open the Rafah terminal to the passage of people next week.

Ha'aretz Washington correspondent Shmuel Rosner portrayed incoming U.S. Ambassador to Israel Richard H. (Dick) Jones. Rosner says that senior Israeli officials who are visiting Washington during the current period will soon know Jones, whom they characterize as a no-nonsense person. Rosner writes that Jones fits into the pattern of senior State Department officials who are "polite professionals, but have no special feelings toward Israel, including negative ones."

The media highlighted North Korea's pledge to end its nuclear weapons programs. Jerusalem Post quoted President Bush as saying that this was a positive step, but that he expressed some skepticism about whether Pyongyang would live up to its promises. Israel Radio quoted a State Department spokesperson as saying that a new demand by North Korea that the U.S. provide it with two nuclear reactors goes beyond Monday's agreement. Ha'aretz cited Israel's hope that North Korea's announcement will increase the pressure applied on Iran at the International Atomic Energy Agency that is convening in Vienna.

Israel Radio quoted FM Silvan Shalom as saying that Iran might only be six months away from having nuclear weapons. Leading media reported that Shalom held "positive" (Jerusalem Post) meetings with the foreign

ministers of Egypt, Tunisia, and Turkey in New York. Jerusalem Post and Israel Radio quoted Shalom's spokesman, Ilan Ostfeld, as saying, "The Tunisian minister said Tunisia is a moderate country, but it will never be first or last to have contact with Israel." Jerusalem Post and Israel Radio also reported that Turkish FM Abdullah Gul asked Israel to refrain from blaming PA Chairman [President] Mahmoud Abbas and stopping the peace process if any Palestinians perpetrate a terror attack. Yediot reported that Shalom will deliver a speech to the UN General Assembly today.

Ha'aretz reported that former U.S. president Bill Clinton has announced in New York, at his international economic conference, the Clinton Global Initiative, that he is seriously examining setting up a new USD 300 million fund to ensure investments in Gaza and neighboring areas. Leading media reported that on Monday, the EU announced details of new aid for the Palestinians, raising the 2005 total to USD 342.8 million on Monday. Jerusalem Post recapped that if assistance from the 25 EU governments is added, Europe's total annual aid to the Palestinians amounts to some USD 612.15 million. Yediot reported that, stunning the [building] Contractors Union, Defense Minister Shaul Mofaz announced on Monday that the employment of Palestinian laborers in Israel will be terminated in the middle of 2008.

Last night, Channel 10-TV revealed that Sharon attended a dinner in New York on Sunday night, at which more than USD 150,000 was raised for campaign expenses in the Likud primaries. The report raises suspicion of an alleged violation of the Parties Law. Jerusalem Post reported that sources close to Sharon vehemently denied the report.

Ha'aretz (banner of English Ed.) cited a document unveiled by Adalah - The Legal Center for Arab Minority Rights in Israel, according to which the Justice Ministry's Police Investigations Department allowed four of the people killed during the Arab riots of October 2000 to be buried without an autopsy, even though autopsies could have helped determine which policemen fired the fatal bullets. On the other hand, Ha'aretz quoted retired Haifa District Court judge Shalom Brenner as saying that the Israeli Arab leadership (the Higher Arab Monitoring Committee) did not cooperate with the preliminary investigative committee he had headed in 2000. Maariv reported that the Higher Arab Monitoring Committee will hold a protest rally opposite the Prime Minister's Office on Monday.

Ha'aretz reported that on Monday, the Knesset's Finance Committee approved an increase of 1.5 billion shekels (approximately USD 330 million) in the payouts to settlers under the disengagement plan, bringing that budget to 3.5 billion shekels (approximately USD 770 million).

Jerusalem Post cited the Manufacturers Association of Israel as saying Monday that business figures from Israel and the PA will meet Wednesday in Istanbul to discuss a Turkish initiative to establish an international company to manage the Erez industrial park, just outside the Gaza Strip. Leading media reported that National Infrastructure Minister Binyamin Ben-Eliezer met Monday with PA and Jordanian counterparts at the regional energy conference held in Tel Aviv. Jerusalem Post reported that Ben-Eliezer and PA Energy Minister Azzam Shawwa agreed that Israel would provide the Gaza Strip with 20 million cubic meters of water, and that they discussed further cooperation in energy matters. Jerusalem Post cited Ben-Eliezer's ministry as saying that the contacts would continue today.

Maariv reported that Bank of Israel Governor Stanley Fischer and Finance Ministry Director General Yossi Bachar will lobby the International Monetary Fund during its annual convention in New York during the weekend to have Israel join the "group of 31 industrialized countries." The newspaper writes that American sources have repeatedly promised that Israel would join the group when additional countries do so, but that it is still not certain when this will happen. Leading media reported on, and Globes bannered, Citigroup Inc.'s withdrawal of its recommendations on Israel's stocks, and the subsequent falling of Israel's benchmark index (the Tel Aviv-25 Index).

Maariv reported that Israel will donate USD 50,000 to four famine-stricken African countries -- Burkina Faso, Mauritania, Mali, and Niger. The newspaper writes that

it appears that the low sum is "more destined to improve Israel's image in the world than to Niger's hungry children."

Georgian FM Salome Zourabichvili was quoted as saying in an interview with Ha'aretz that Russia will again become an empire.

Israel's main radio stations and leading news web sites reported that Nazi hunter Simon Wiesenthal died in Vienna this morning at 96.

1. Mideast:

Summary:

Diplomatic correspondent Aluf Benn wrote in independent, left-leaning Ha'aretz: "A serious public discourse is already required about whether the two-state solution has evaporated with the disengagement's implementation."

Uzi Arad, who was a senior advisor to former prime minister Binyamin Netanyahu, wrote in mass-circulation, pluralist Yediot Aharonot: "The declaration [Sharon] made from the stage of the UN hints to future additional concessions.... Is this where Sharon is heading?"

Block Quotes:

I. "The New Partition Plan"

Diplomatic correspondent Aluf Benn wrote in independent, left-leaning Ha'aretz (September 20): "Sharon ... is placing the U.S. administration in a dilemma between its two main principles: advancing Arab democracy in general, and Palestinian democracy in particular, versus the relentless war on terror and its organizations.... But the significance of his threats transcends the clumsy attempt to dictate the Palestinians' list of candidates and election platforms. It pertains to the root of the Palestinian entity's existence, and undermines the link between its two parts in Gaza and the West Bank.... Clearly Sharon is using the separation of Gaza from the West Bank as a bargaining chip in his relations with Abbas, like a big stick perpetuating Israeli supremacy even after the disengagement. It is clear that he is washing his hands of the forgotten clause in the Oslo Accords, that the West Bank and the Gaza Strip are 'one territorial unit.' However, his consistent policy raises suspicion that there is more at play here than bullying tactics toward the PA. It is clear that someone is laying the ground for a new order to replace the accepted idea of establishing one state divided into two parts.... The more Sharon establishes the difference in the status of the Gaza Strip and West Bank, and as long as the PA has difficulty imposing its authority, the more these ideas will garner support in Israel. A serious public discourse is already required about whether the two-state solution has evaporated with the disengagement's implementation."

II. "Erosion, Conciliation, and Appeasement"

Uzi Arad, who was a senior advisor to former prime minister Binyamin Netanyahu, wrote in mass-circulation, pluralist Yediot Aharonot (September 20): "Sharon announced at the United Nations that Israel is committed to the road map, with an incomprehensible patent omission: why didn't he demand that the Quartet respect its commitment to the road map, particularly regarding its first, immediate stage -- the dismantling of the terror organizations? This is no trivial matter: only recently have people like Blair, Rice and Wolfensohn called to shrink the stages of the road map and pass over some of its components that touched upon substantial Israeli interests.... What [Sharon] said and what he surprisingly refrained from saying doesn't only constitute a conciliatory gesture. The declaration he made from the stage of the UN hints to future additional concessions.... Is this where Sharon is heading?"

12. North Korea's Announced Renouncement of Nuclear Weapons:

Summary:

Washington correspondent Nathan Guttman wrote in conservative, independent Jerusalem Post: "It is not clear how many of the achievements can be credited to the 'Bush doctrine'.... The only two arenas in which the Bush doctrine has been put to a test -- Iran and Iraq -- cannot yet be declared successes for the U.S."

Intelligence affairs correspondent Yossi Melman wrote in independent, left-leaning Ha'aretz: "Unlike North Korea, Iran wants nuclear capabilities in order to build military power and deterrence.... Iran is not North Korea and will not succumb to pressure."

Military correspondent Arieh O'Sullivan wrote on page one of Jerusalem Post: "Without moves to halt this proliferation of missile technology, it is too early to tell if this agreement is profitable for Israel."

Block Quotes:

I. "A Good Week For U.S. Diplomacy"

Washington correspondent Nathan Guttman wrote in conservative, independent Jerusalem Post (September 20): "Much of the credit for the North Korean deal must go to China, but the Bush administration can mark the end of a successful diplomatic week. Good news came from all over the globe.... It is not clear how many of the achievements can be credited to the 'Bush doctrine' in foreign policy, focusing on preemptive activity against states that support terrorism or develop weapons of mass destruction.... The only two arenas in which the Bush doctrine has been put to a test -- Iran and Iraq -- cannot yet be declared successes for the U.S.... How will these diplomatic successes affect the U.S. involvement in the Israeli-Palestinian conflict?.... The level of American intervention in the conflict has never been affected by the North Korean nuclear program, the internal situation in Afghanistan, or even by Iran's nuclear ambitions. So the only conclusion for Israel is that nothing will change, except for maybe an upward swing in the administration's collective mood."

II. "Iran Won't Cave In"

Intelligence affairs correspondent Yossi Melman wrote in independent, left-leaning Ha'aretz (September 20): "If North Korea keeps its commitments, as drafted in the declaration of intentions in the six-nation talks in Beijing, it will have achieved its goals.... The agreement is a great accomplishment, especially for China's diplomatic patience. But the agreement is also an achievement for the U.S., which conditioned all diplomatic recognition and economic aid on North Korea abandoning its nuclear program. Unlike North Korea, Iran wants nuclear capabilities in order to build military power and deterrence.... Iran is not North Korea and will not succumb to pressure. The international atmosphere could have an indirect effect on Israel's policy of strategic nuclear ambiguity. It weakens Israel's position vis-a-vis its own nuclear program, although there is no international pressure at present and none is seen on the horizon. Israel can therefore stick to its ambiguity policy as long as it has the support of the U.S. and the EU."

III. "What About North Korea's Missile Sales?"

Military correspondent Arieh O'Sullivan wrote on page one of Jerusalem Post (September 20): "The impact of North Korea's decision to give up its quest for nuclear weapons, while positive for world peace, would have been greater if it also included a vow to halt missile technology proliferation. Israel is not being threatened either directly or indirectly by North Korea's nuclear program. But it certainly is on the targeted end of its ambitious ballistic missile program that has provided Arab states and Iran with know-how that has allowed them to amass an arsenal of Scud and Shihab rockets capable of hitting Tel Aviv.... Without moves to halt this proliferation of missile technology, it is too early to tell if this agreement is profitable for Israel."